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ABSTRACT

This document presents the amended text of S. 123, cited as "Smart Start: The Community Collaborative for Early Childhood Development Act of 1989," a bill to provide financial assistance to states and localities for high quality early childhood development programs for prekindergarten children. Sections concern: (1) the short title and table of contents; (2) statement of findings and purpose; (3) definitions; (4) program authorization; (5) eligibility for federal assistance; (6) allotments to states; (7) locality and within-state allocation; (8) planning grants; (9) state advisory task forces; (10) lead state agencies; (11) state applications and state plans; (12) local policy groups; (13) local plans and applications; (14) eligible children and families; (15) use of funds; (16) minimum standards; (17) federal administrative provisions; (18) evaluation; (19) nondiscrimination; (20) payments, the nonfederal share, supplementation of funding; and (21) records and audits. (RH)

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II

Calendar No. 118

101ST CONGRESS
1ST SESSION

S. 123

To provide financial assistance to States and localities for high quality early childhood development programs for prekindergarten children, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 25 (legislative day, JANUARY 3), 1989

Mr. KENNEDY (for himself, Mr. SIMON, Mr. DODD, Mr. MOYNIHAN, Mr. MATSUNAGA, Mr. INOUYE, Mr. BRADLEY, Mr. BINGAMAN, Mr. KERRY, Mr. ADAMS, Mr. BURDICK, Mr. WIRTH, Mr. SHELBY, Mr. LIEBERMAN, and Mr. RIEGLE) introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

JUNE 12 (legislative day, JANUARY 3), 1989

Reported under authority of the order of the Senate on June 8 (legislative day, January 3), 1989, by Mr. KENNEDY, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To provide financial assistance to States and localities for high quality early childhood development programs for prekindergarten children, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PS 01835

BEST COPY AVAILABLE

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. (a) SHORT TITLE.—This Act may be cited as the "Smart Start: The Community Collaborative for Early Childhood Development Act of 1989".

(b) TABLE OF CONTENTS.—

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STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) FINDINGS.—Congress finds that—

(1) high quality early childhood development programs can increase the literacy rate, the graduation rate, the employment rate, and the rate of enrollment in higher education for those children who receive such programs;

(2) high quality early childhood development programs can also decrease the incidence of cognitive, learning, and emotional handicaps, teenage pregnancy,

welfare dependency, and incidence of arrest and juvenile delinquency for those children who receive such programs;

(3) high quality early childhood development programs are cost effective, saving taxpayers $6 for every $1 invested;

(4) despite these well-documented, long-term advantages, only one-third of the children who live in poverty are enrolled in early childhood development programs;

(5) the less income and education parents have, the less likely their children are to be enrolled in early childhood development programs;

(6) many working families cannot afford high quality early childhood development programs for their children;

(7) half of all preschool children have two parents in the workforce or live in single parent families, and the number is growing;

(8) because of the growing number of such children, there is a great need for affordable high quality full day, full calendar year early childhood development programs;

(9) existing programs of early childhood development that run only half-day or only during the school-

day and school-year should be extended to meet the full child care needs of parents;

(10) existing children's programs that do not meet the educational, physical, emotional, social, cognitive and communication developmental needs that high quality programs provide should be upgraded to provide these services to preschool children;

(11) the low salaries paid to professional staff in early childhood development programs, the lack of a professional career progression for such staff, and the lack of child development specialists makes it difficult to maintain high quality in programs for young children;

(12) many States and localities have established early childhood development programs to help meet the needs of young children and their families, particularly low-income families; and

(13) there remains a great need for high quality full day, full calendar year programs, which could be met both by expanding and upgrading existing early childhood programs and by creating new childhood development programs.

(b) PURPOSE.—It is therefore the purpose of this Act—

(1) to make widely available to prekindergarten children, especially to low-income children, a high-

~~quality, child-centered, developmentally appropriate early childhood development program;~~

~~(2) to make widely available to parents who wish such services a full day, full calendar year program in which they can enroll their prekindergarten children;~~

~~(3) to make efficient use of Federal, State, and local resources for early childhood development by promoting collaboration and coordination at the Federal, State, and local levels;~~

~~(4) to assist State and local governments in providing comprehensive developmentally appropriate early childhood programs as well as health, nutrition, mental health, and other social services to all prekindergarten students, including students whose native language is other than English, and especially to needy prekindergarten students in poor urban and rural areas;~~

~~(5) to assist State and local governments in expanding, improving, or establishing early childhood development programs using existing facilities that meet State and local safety code requirements;~~

~~(6) to assist State and local governments in making available family support and parenting education to parents of children in early childhood development programs who request such services;~~

(7) to provide incentives for community collaboration, including public-private partnerships, in the delivery of comprehensive early childhood services through schools, Head Start agencies, and other community-based organizations;

(8) to provide resources to ensure a smooth transition for students from prekindergarten into the elementary school grades when they reach the appropriate age; and

(9) to assist State and local governments in—

(A) providing training for teachers and staff of early childhood development programs, and

(B) promoting the use of salary scales that take into account training and experience.

DEFINITIONS

SEC. 3. As used in this Act—

(1) The term "early childhood development program" means a program that is appropriate for the child's age and all areas of the individual child's development, including educational, physical, emotional, social, cognitive, and communication.

(2) The term "full calendar year" means all days of operation of businesses in the locality, excluding—

(A) legal public holidays, as defined in section 6103 of title 5, United States Code; and

~~(B) a single period of 14 consecutive days during the summer.~~

~~(3) The term "full day" means the hours of operation of businesses in the locality.~~

~~(4) The term "locality" means a city, county, township, or other general purpose unit of local government, or an Indian reservation. For purposes of this Act, a consortium of more than one locality acting together may be considered a locality.~~

~~(5) The term "poverty line" has the same meaning given that term in section 673(2) of the Community Services Block Grant Act.~~

~~(6) The term "prekindergarten" means 2 years before a child is eligible under State law to enter first grade.~~

~~(7) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, and Palau.~~

~~(8) The term "parent" includes a legal guardian or other person standing in loco parentis.~~

~~(9) The term "service provider" means any public or nonsectarian nonprofit deliverer of early childhood~~

development services, including a local educational agency, Head Start center, and community-based organization receiving funds under this Act.

(10) The term "Secretary" unless otherwise specified, means the Secretaries of Education and Health and Human Services, acting jointly, except that "Secretary" means the Secretary of Education for purposes of sections 4, 6, 7, 8, 17, 20, and 21 of this Act.

(11) The term "training" means that instruction in early childhood development that is required for certification by existing State and local laws, regulations, and policies, or, in a State with no certification procedures, a nationally recognized credential such as the Child Development Associate credential, or postsecondary education with significant coursework in early childhood education or early childhood development.

(12) The term "child development specialists" shall include but not be limited to school counselors, school social workers, school psychologists, speech-language pathologists, and other qualified professional personnel involved in providing developmental assessment, counseling, therapeutic, and other necessary services as part of a comprehensive child development services program.

PROGRAM AUTHORIZED

SEC. 4. (a) GENERAL AUTHORITY.—The Secretary shall, in accordance with this Act, make grants to States and localities having applications submitted under sections 11 and 13 of this Act to assist States and localities to expand or establish full day, full calendar year early childhood development services for prekindergarten children. Such grants may be for up to 3 years, subject to annual review, and are renewable.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for purposes of carrying out the provisions of this Act $500,000,000 for fiscal year 1990; $750,000,000 for fiscal year 1991; $1,000,000,000 for fiscal year 1992; $1,000,000,000 for fiscal year 1993; and $1,000,000,000 for fiscal year 1994.

ELIGIBILITY FOR FEDERAL ASSISTANCE

SEC. 5. (a) STATE ELIGIBILITY.—A State shall be eligible to receive its allotment under section 6(b) of this Act if the State—

(1) provides assurances that the State has established or designated a State Advisory Task Force in accordance with section 9 of this Act; and

(2) submits an application and a State plan to the Secretary as described under section 11 of this Act.

(b) LOCALITY ELIGIBILITY.—If a State does not participate in the program under this Act, a locality in that State

is eligible for a grant as provided in section 7 of this Act, if the locality—

(1) provides assurances that the locality has established or designated a Local Policy Group, as provided in section 12 of this Act; and

(2) makes an application as provided in section 13 of this Act.

ALLOTMENTS TO STATES

SEC. 6. (a) RESERVATIONS.—The Secretary shall reserve 1 per centum of the amount appropriated under section 4(b) in each fiscal year for payments to Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, and Palau, to be allotted in accordance with their respective needs.

(b) STATE ALLOTMENT.—(1) From the remainder of the sums appropriated under section 4(b) for each fiscal year, the Secretary shall allot to each State an amount determined in accordance with this subsection.

(2) The Secretary shall allot an amount which bears the same ratio to 25 percent of such remainder as the product of—

(A) the number of children in the State under age 5 in families with income below the poverty line; and

(B) the tax capacity index of the State

bears to the sum of the corresponding products for all States.

~~(3) The Secretary shall allot an amount which bears the same ratio to 25 percent of such remainder as the product of—~~

~~(A) the number of children in the State under age 5 in families with income below the poverty line; and~~

~~(B) the tax effort index of the State bears to the sum of the corresponding products for all States.~~

~~(4) The Secretary shall allot an amount which bears the same ratio to 25 percent of such remainder as the product of—~~

~~(A) the number of children in the State under age 5; and~~

~~(B) the tax capacity index of the State bears to the sum of the corresponding products for all States.~~

~~(5) The Secretary shall allot an amount which bears the same ratio to 25 percent of such remainder as the product of—~~

~~(A) the number of children in the State under age 5; and~~

~~(B) the tax effort index of the State bears to the sum of the corresponding products for all States.~~

~~(6) For purposes of this subsection, the number of children shall be determined by the Bureau of the Census in compiling the most recent decennial census.~~

~~(7) For the purpose of this subsection, the term "State" does not include Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, and Palau.~~

~~(c) TAX CAPACITY INDEX.—The tax capacity index is equal to 100 divided by the most recent standard tax capacity figure for the State, based on the Representative Tax System, developed annually by the Advisory Commission on Intergovernmental Relations.~~

~~(d) TAX EFFORT INDEX.—The tax effort index is equal to the most recent measure of tax effort for the State that is based on the standard tax effort measures, as developed annually by the Advisory Commission on Intergovernmental Relations, divided by 100.~~

~~(e) REALLOTMENT.—After satisfying the needs of localities under section 7(a), the amount of any State's allotment under subsection (b) for any fiscal year to carry out this Act which the Secretary determines will not be required for such fiscal year to carry out this Act shall be available for reallotment from time to time, on such dates during such fiscal year as the Secretary may fix, to other States in proportion to the original allotments to those States under subsection (b) for such fiscal year but with such proportionate amount for any of those other States being reduced to the extent it exceeds~~

the sum the Secretary estimates that State needs and will be able to use for such fiscal year; and the total of those reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amounts reallotted to a State under this subsection during a year shall be deemed a part of its allotment under subsection (b) for that year.

LOCALITY AND WITHIN STATE ALLOCATION

SEC. 7. (a) FEDERAL ALLOCATION TO LOCALITIES.—From amounts that would be allotted to a State under section 6(b) but will not be so allotted because the State elects not to participate in programs assisted under this Act, the Secretary shall allocate amounts to localities in accordance with this section. The grant which a locality is eligible to receive under section 5(b) is equal to the amount to which the locality is entitled under subsection (c) of this section.

(b) WITHIN STATE RESERVATION AND ALLOCATION.—(1) The Governor shall, from the allotment of the State under section 6(b), reserve 25 percent in each fiscal year for the activities described in paragraph (2).

(2) From the amount reserved in each fiscal year—

(A) not to exceed 5 percent may be used for administrative costs, of which at least 20 percent shall be allotted to the State Advisory Task Force;

(B) at least 5 percent shall be used for grants to localities in nonmetropolitan areas, and to localities for

the purpose of serving migrant and Indian children or if no such localities apply for funds, funds under this subparagraph may be used for purposes stated in subparagraph (C) of this paragraph;

(C) at least 10 percent shall be used for discretionary grants to localities for purposes set forth in this Act; and

(D) at least 5 percent shall be used to develop and implement statewide training programs, and to provide technical assistance to localities for training.

(3) The Governor shall, from the allotment of the State in each fiscal year, allocate the remaining 75 percent to localities that have applications approved under section 9 of this Act, on the basis of the criteria listed in subsection (c) of this section.

(c) ALLOCATION RULES.—(1) From amounts available under section 7(b)(3), the Governor shall allocate—

(A) Sixty-seven percent of funds to localities on the basis of the number of children in the locality under age 5 in families below the poverty line, divided by the number of all children under age 5 in families below the poverty line, in the State.

(B) Sixteen and one-half percent of funds to localities on the basis of the number of children under age 5

~~in the locality, divided by the number of all children under age 5 in the State.~~

~~(C) Sixteen and one-half percent of funds to localities on the basis of the quality of the locality's application and plan, as judged by the State Advisory Task Force, in the areas of—~~

~~(i) the success of collaboration and coordination among local policy group members and service providers;~~

~~(ii) the quality of the needs and resources assessment required in section 12(c)(2) of this Act; and~~

~~(iii) the plan of the locality for ongoing coordination of services over and above those services necessary to meet minimum standards required for submission of an application pursuant to this Act.~~

~~The amount of a locality's allocation under this subparagraph shall vary with the degree of success on the various criteria described, except that, no locality shall receive more under this subparagraph than 150 percent of what it would receive if these funds were distributed on the basis of subparagraphs (A) and (B) of this paragraph.~~

~~(2) For purposes of this subsection, the number of children shall be determined by the Bureau of the Census in compiling the most recent decennial census.~~

~~(3)(A) Funds which remain available after allocation to localities under paragraph (1)(C) shall be reallocated to localities which receive funds under such subparagraph, subject to the maximum therein.~~

~~(B) Funds which remain after reallocation under subparagraph (A) of this paragraph shall be reallocated to localities under subparagraphs (A) and (B) of paragraph (1) of this subsection.~~

~~(5) Where localities submitting applications claim overlapping boundaries, the State, or in the case of localities in nonparticipating States, the Secretary, shall determine which locality will have jurisdiction over the overlapping area.~~

~~(6) Each locality receiving funds under this subsection may allocate up to 5 percent of such funds for administrative costs, provided that the local policy group receives at least 60 percent of such allocation.~~

~~(7) A locality shall be ineligible to receive an allocation under paragraph (1) in a fiscal year if the aggregate amount of Federal and State funds that would be received by such locality under this Act is less than $25,000.~~

~~PLANNING GRANTS~~

~~SEC. 8. (a) IN GENERAL.—Any locality may apply for a 6-month planning grant to the State or, if the State does not~~

participate in the program authorized by this Act, to the Secretary. Funds received by localities for planning grants shall be deducted from the funds the locality would otherwise be eligible for in the first year of the program.

(b) APPLICATION REQUIRED.—Each application for a planning grant shall—

(1) identify the members of the local policy group established under section 12;

(2) describe the needs and resources assessment to be conducted, as provided in section 12(c) of this Act; and

(3) describe the proposed planning activities of the local policy group.

STATE ADVISORY TASK FORCE

SEC. 9. (a) ESTABLISHMENT.—Any State which desires to receive financial assistance under this Act shall establish a State Advisory Task Force.

(b) COMPOSITION.—(1) The Task Force shall be composed of a group of representatives of agencies, institutions, and other entities interested in or currently participating in the provision of early childhood development programs and child care in the State.

(2) The Governor shall select representatives from among—

(A) the office of the Governor;

(B) the State education agency;

~~(C) the State social services agency (or State child development or child advocacy agency);~~

~~(D) the State Head Start association; and~~

~~(E) organizations representing parents within the State.~~

~~The State Advisory Task Force shall include at least one representative from each category of agencies or other entities listed in subparagraphs (A) through (F) of the preceding sentence, except in the case of a category in which no agency or entity elects to participate, or in which no such agency or entity exists within the State.~~

~~(3) In addition to those agencies and entities listed in paragraph (2), the Governor may select additional representatives of the Task Force from among—~~

~~(A) resource and referral agencies within the State; and~~

~~(B) the State Board of Education;~~

~~(C) the State health agency;~~

~~(D) the State labor or employment agency;~~

~~(E) the State housing agency;~~

~~(F) organizations representing local governments;~~

~~(G) organizations representing service providers;~~

~~(H) local educational agencies and school boards;~~

~~(I) each house of the State legislature;~~

~~(J) organizations representing teachers;~~

(K) organizations representing business; and

(L) organizations representing labor.

(4) To the extent practicable, the Task Force shall be balanced according to the race, ethnicity, and gender of its members.

(c) FUNCTIONS OF THE TASK FORCE.—The State Advisory Task Force shall—

(1) recommend to the Governor a Lead State Agency to administer programs to be assisted under this Act in the State based on that agency's experience in the administration of early childhood development programs, and recommend the assignment of financial responsibility to the appropriate State agencies;

(2) advise and assist the Lead State Agency designated by the Governor in the performance of its responsibilities set out in section 10 of this Act by conducting a needs and resources assessment—

(A) to determine where early childhood development programs are lacking or are inadequate within the State, with particular attention to poor urban and rural areas, and what special services are needed within the State, such as services for children whose native language is other than English;

(B) to identify all existing State-funded, and, to the extent practical, other programs serving prekindergarten children (other than profitmaking or sectarian) in the State, and to specify which programs might be expanded or upgraded with the use of funds provided by section 15 of this Act to meet criteria required in section 16 of this Act; and

(C) where appropriate, to identify other sources of fiscal and other support services for early childhood development programs;

(3) develop and submit the State application and the State plan required in section 11 of this Act;

(4) identify and review State policies, regulations, and laws that may restrict the use of facilities for the delivery of early childhood development services in school buildings or community agencies;

(5) evaluate and approve applications submitted by localities, as provided under sections 7 and 13 of this Act;

(6) prepare and submit an annual report to the Governor and the Secretary on the status of early childhood development programs operating within the State in accordance with subsection (d);

~~(7) conduct evaluations of programs as required in section 18; and~~

~~(8) arrange joint planning for provision of services under this Act with the provision of services required or authorized under other Federal laws.~~

~~(d) ANNUAL REPORT CONTENTS.—The report required by subsection (c)(6) shall include such information as the Secretary may reasonably require.~~

~~(e) CONFLICT OF INTEREST.—No member of the State Advisory Task Force shall cast a vote on any matter which would provide direct personal financial benefit to that member or otherwise give an appearance of a conflict of interest under State law.~~

~~(f) USE OF EXISTING TASK FORCES.—To the extent that a State has established a task force before the date of enactment of this Act which is comparable to the task force described in this section, the State shall be considered to be in compliance with subsections (a) and (b) of this section.~~

~~LEAD STATE AGENCY~~

~~SEC. 10. (a) DESIGNATION.—(1) The Governor shall designate a Lead State Agency to administer the early childhood development programs assisted under this Act in the State. The Lead State Agency shall be selected from—~~

~~(A) the State educational agency;~~

~~(B) the State department of social services; or~~

~~(C) the State agency for child development or child advocacy.~~

~~The criteria used to select the Lead State Agency shall include experience of the agency in carrying out early childhood development programs in the State. In order to be designated a Lead State Agency, such agency must have the authority under its charter or applicable law to receive and administer Federal funds for use in support of early childhood development programs, and to transfer funds so received, and to act as a grantee, contractor, or sponsor of programs authorized under this Act.~~

~~(2) The Governor shall assign financial responsibility for services provided to the appropriate State agencies.~~

~~(b) FUNCTIONS.—The Lead State Agency shall, with the assistance of the State Advisory Task Force, be responsible for carrying out—~~

~~(1) the general administration, supervision, and monitoring of programs and activities receiving assistance under section 7 of this Act to ensure compliance with this Act;~~

~~(2) contracting with other State and local service providers as necessary;~~

~~(3) the resolution of intra- and interagency disputes; and~~

~~(4) the provision of, directly, or by way of grant or contract or other arrangements, technical assistance to localities in developing, conducting, and administering programs under this Act.~~

~~STATE APPLICATION AND STATE PLAN~~

~~SEC. 11. (a) STATE APPLICATION.—Any State desiring to receive a grant under this Act for any fiscal year shall submit an application, developed by the State Advisory Task Force, as required in section 9 of this Act, to the Secretary, at such time and in such manner as the Secretary may reasonably require. Each such application shall contain—~~

~~(1) a description and list of members of the State Advisory Task Force established or designated by the Governor as required in section 9 of this Act;~~

~~(2) the designation of a Lead State Agency that will be responsible for the administration of funds provided under section 6 of this Act, as required by section 10 of this Act;~~

~~(3) a State plan as required by subsections (b) and (c) of this section; and~~

~~(4) such other information and assurances as the Secretary may reasonably require.~~

~~(b) STATE PLAN.—Any State desiring to receive a grant under this Act shall file with the Secretary a State Plan, developed by the State Advisory Task Force. The Plan~~

shall be submitted to the Secretary at such time and in such manner as the Secretary may reasonably require.

(c) CONTENTS OF PLAN.—Such plan shall—

(1) describe the results of the needs and resources assessment, carried out by the State Advisory Task Force, as provided in section 9 of this Act;

(2) describe how the State will upgrade where necessary, expand, and coordinate with existing Head Start programs;

(3) describe how the State will employ multiple service providers;

(4) describe how the State will ensure compliance with minimum standards required in section 16;

(5) describe how the State will ensure compliance with the uses of funds set forth in section 15(c) and (d) of this Act;

(6) describe how the State will meet the requirement of the non-Federal share required in section 20 of this Act;

(7) describe the certification procedures and training required by the State;

(8) assure that funds paid to the State under this Act will be expended in accordance with this Act;

(9) provide for (A) making such reports in such form and containing such information as the Secretary

may require to carry out the Secretary's functions under this Act, and (B) keeping such records and affording such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports and proper disbursement of Federal funds under this Act;

(10) provide satisfactory assurance that Federal funds made available under this Act, and the non-Federal funds which are required to be paid as part of the non-Federal share under section 20 of this Act shall be used to supplement and increase the level of State and local funds expended for services, as provided in section 20 of this Act;

(11) provide satisfactory assurance, in accordance with section 21 of this Act, that such fiscal control and fund accounting procedures will be adopted as may be necessary to assure proper disbursement of, and accounting for, Federal funds made available under this Act and non-Federal funds which are required to be paid as part of the non-Federal share under section 20 of this Act; and

(12) such other information and assurances as the Secretary may reasonably require.

~~LOCAL POLICY GROUP~~

~~SEC. 12. (a) ESTABLISHMENT.—Any locality desiring to receive a grant under this Act shall form a Local Policy Group.~~

~~(b) COMPOSITION.—(1) The Local Policy Group shall be composed of a group of representatives of Government agencies, service providers, institutions, and organizations interested in or currently participating in the provision of early childhood development services in the geographic area covered by the locality. The local policy group shall contain no more than 8 members, except as provided in paragraph (2)(C) of this subsection.~~

~~(2)(A) The chief elected official of the locality shall select the membership of the Local Policy Group. The Local Policy Group shall be selected from among—~~

~~(i) the local Head Start agency;~~

~~(ii) the local board of education;~~

~~(iii) the local superintendent of schools;~~

~~(iv) the local social services agency (or, if applicable, local child development or child advocacy agency); and~~

~~(v) early childhood teachers.~~

~~The Local Policy Group shall include one representative from each agency or entity listed in clauses (i) through (v) of~~

~~the preceding sentence, except where the agency or entity elects not to participate, or does not exist within the locality.~~

~~(B) In addition to the entities listed in subparagraph (A) of this paragraph, three parents of prekindergarten or elementary school-aged children shall be included in the membership of the local policy group. Two of such parents shall be parents whose child is receiving or has received Head Start services.~~

~~(C) Where a locality includes a consortium of more than one locality, as provided in section 3(4), the chief elected officials may select two representatives from each agency or entity listed in clauses (i) through (v) of subparagraph (A), and six parents as described in subparagraph (B) of this section.~~

~~(3) To the extent practicable, the Local Policy Group shall be balanced according to the race, ethnicity, and gender of its members.~~

~~(4) The Local Policy Group may consult with members of the community with expertise or an interest in child development programs, including—~~

~~(A) local resource and referral agencies,~~

~~(B) organizations representing labor,~~

~~(C) employers,~~

~~(D) local public health and nutrition agencies,~~

~~(E) child development experts, and~~

(F) organizations representing child care providers to assist in the development and implementation of early childhood development programs.

(c) FUNCTIONS.—The Local Policy Group shall—

(1) develop a collaborative voluntary application to the State from the participating agencies;

(2) develop a needs and resources assessment, every 3 years, for the geographic area included within the locality, stating—

(A) where services are most needed based on numbers of prekindergarten children with particular attention to such children from families who have low income;

(B) the existence of early childhood development programs and the degree to which they meet the demand for such services in the locality;

(C) the existence of programs serving prekindergarten children which can be expanded or upgraded to meet the requirements of this Act;

(D) the need for bilingual programs and services for children whose native language is not English, and programs and services for handicapped, migrant, Indian, and homeless children; and

~~(E) a description of early childhood development training programs in the locality funded by this Act, and the need for additional training programs in the locality;~~

~~(3) demonstrate how the locality will work to employ multiple service providers;~~

~~(4) identify and review local laws, regulations, or policies that may restrict the use of facilities for the delivery of early childhood development programs in school buildings or community agencies;~~

~~(5) identify salary scales for staff of existing providers of early childhood development services and child care services;~~

~~(6) identify job training, literacy, and adult education programs that can be coordinated with family support services offered by child development programs; and~~

~~(7) prepare and submit an annual report as required in subsection (c) of this section to the State Advisory Task Force on the status of early childhood development programs within the locality; and~~

~~(8) arrange for evaluations required in section 18.~~

~~(d) LIMITATION ON FUNCTIONS OF LOCAL POLICY GROUP.—The Local Policy Group shall not supercede the internal operations or administrative practices of agencies or~~

~~entities operating existing early childhood development programs, beyond evaluations required by section 18, except to institute minimum standards required by section 16 or to enforce the uses of funds set forth in sections 14 and 15.~~

~~(c) CONTENTS OF REPORT.—Each report required by subsection (c)(7) shall include—~~

~~(1) the number and socioeconomic background of children being served with funds provided under this Act, listed by age if available;~~

~~(2) the number of children whose parents have requested services but who are not being served;~~

~~(3) a description of the uses for which funds were expended in accordance with section 15 of this Act;~~

~~(4) a description of programs expanded, upgraded, or created under this Act;~~

~~(5) a description of salary scales used in programs receiving funds under this Act;~~

~~(6) a description of how programs receiving funds under this Act are coordinated with other existing programs of early childhood development for prekindergarten children in the locality; and~~

~~(7) assurances that the programs funded under this Act meet the requirements of sections 14, 15, and 16 of this Act.~~

(f) CONFLICT OF INTEREST.—A member of the Local Policy Group shall not cast a vote on any matter which would provide direct personal financial benefit to that member or otherwise give an appearance of a conflict of interest under State or local law.

(g) USE OF EXISTING LOCAL POLICY GROUP.—To the extent that a locality has established a broadly representative Local Policy Group before enactment of this legislation that is comparable to the Local Policy Group described in this section, such locality shall be considered to be in compliance with subsections (a) and (b) of this section.

LOCAL PLAN AND APPLICATION

SEC. 13. (a) APPLICATION REQUIRED.—Any locality desiring to receive a grant from the State to carry out services assisted under this Act shall—

(1) form or designate a Local Policy Group, in accordance with section 12 of this Act; and

(2) submit to the State an application prepared by the Local Policy Group.

Such application may be for up to 3 years, subject to annual review, and is renewable.

(b) CONTENTS OF APPLICATION.—Each application prepared pursuant to subsection (a) shall contain—

(1) a service delivery plan from all participating service providers, that includes—

(A) the name and location of all planned sites and a description of services which will be provided at each site under such plan;

(B) a description of how the locality will employ multiple service providers, such as Head Start and Local Educational Agencies, except as provided in section 16(b)(1);

(C) a plan for ongoing coordination of early childhood development services at each site between (i) Head Start providers and local educational agencies, whether or not such providers or agencies are receiving funds under this Act, and (ii) between entities in clause (i) and any other recipients of funds under this Act;

(D) a description of how priority for the use of funds made available under this Act is being given to the expansion and upgrading of existing programs, as required by section 15(c) of this Act;

(E) the number of children receiving services free of charge, the number of children receiving services for payment of fees, the level of such fees paid at each site, and the distribution of such children among service providers;

(F) the results of the local needs and resources assessment conducted by the Local Policy

~~Group, as provided in section 12(c)(2) of this Act, a description of what needs for services have been identified by such assessment, and a description of how the plan for coordination of services address the indicated needs;~~

~~(G) a description of certification and other qualifications of staff, a plan for training of professional staff and employees, the turnover or mobility rate of professional staff and employees, if available, and a description of salary schedules, and how such schedules reflect level of training, expertise, and experience of employees;~~

~~(H) a description of how the locality will provide the non-Federal share required under section 20 of this Act if any portion thereof is not paid by the State;~~

~~(I) a description of how the locality will ensure compliance with the uses of funds set forth in section 15 of this Act;~~

~~(J) assurances that Federal minimum standards in section 16 of this Act will be adhered to;~~

~~(K) a plan for evaluations required in section 18; and~~

~~(L) such additional assurances or information as the Secretary may reasonably require; and~~

~~(2) evidence demonstrating effective use of existing Federal and State funds received by the locality for services for prekindergarten children.~~

~~(c) LOCAL ADMINISTERING AGENCY.—(1) In each locality the chief elected official (or officials, in the case of consortium of more than one locality) shall select a local administering agency for the locality from the local education agencies, local social services agencies, and the local child development agencies within the locality.~~

~~(2) The selection of the local administering agency shall be based on the experience of such agency in administering early childhood development programs. To be eligible to be designated a local administering agency, such agency shall have the authority under its charter or applicable law to receive, redistribute, and monitor grants to provide early childhood development services under this Act.~~

~~(3) The local administering agency of each locality shall be designated as the coordinator of all programs assisted under this Act for the locality for the purpose of administration and fiscal control.~~

~~(4) Each local administering agency shall work with existing local resource and referral agencies.~~

~~(5) Each administering agency shall follow the plan developed by the Local Policy Group for the provision of services assisted by this Act.~~

(d) SUBMISSION OF LOCAL APPLICATION.—(1) Any locality desiring to receive financial assistance under this Act, that is located in a State receiving funds under this Act, shall submit an application to the State Advisory Task Force for the State in which such locality is located.

(2) Any locality desiring to receive financial assistance under this Act, that is located in a State that has chosen not to receive funds under this Act, shall—

(A) submit an application to the Secretary for a grant at such time and in such manner as the Secretary may reasonably require; and

(B) comply with the requirements under section 12 and subsections (a) and (b) of section 13 of this Act.

The service delivery plan required by section 13(b) shall also include the information required under sections 11(b) and 11(c) to the extent the information required therein pertains to the area to be served by the locality.

ELIGIBLE CHILDREN AND FAMILIES

SEC. 14. (a) AGE REQUIREMENT.—Any child is eligible to participate in programs assisted under this Act in the school year 2 years prior to the school year in which the child would be eligible, under State law, to enter first grade. Any State or locality which has served all children of the eligible age group requesting services may use funds under this Act to serve children in the school year 3 years prior to

the school year in which they would be eligible, under State law, to enter first grade. A State or locality may use funds under this Act to upgrade and expand existing programs serving children aged 3 years through 5 years, provided the supplementation of funding requirements of section 20 are met.

(b) FAMILY CONTRIBUTION.—(1) Eligible children in families with annual incomes under 115 percent of the poverty line are eligible to receive services provided under this Act without charge.

(2)(A) Eligible children in families with annual incomes at or above 115 percent of the poverty line are eligible to receive services provided by this Act with payment of fees on a sliding scale up to the full cost of such service except that, pursuant to part B of the Education of the Handicapped Act, services included in a handicapped child's individualized education program shall be furnished to such child without charge. The sliding scale shall be developed by the State, or locality if the State is not participating, based on income level, family size, and relative cost of living. Such sliding scale shall ensure that families that can afford to pay the full cost of services do pay such cost. The maximum fee per child shall not exceed the cost per child of the services provided. Total fees for all eligible children in a family receiving serv-

ices under this Act shall not exceed 10 percent of a family's gross income.

(B) Nothing in subparagraph (A) shall be construed to prevent any State or locality from paying part or all of the cost of fees paid by families under subparagraph (A) with non-Federal funds.

USE OF FUNDS

SEC. 15. (a) IN GENERAL.—Localities may use funds furnished under this Act.—

(1) to expand or upgrade, through grant or contract, existing public or nonsectarian nonprofit programs for prekindergarten children to operate them during the full day and full calendar year and in compliance with the requirements of section 16 of this Act, or

(2) to create, through grant or contract to public or nonsectarian nonprofit entities, full day, full calendar year early childhood development programs that comply with the provisions of this Act.

(b) AUTHORIZED ACTIVITIES.—Grants under this Act may be used for—

(1) development of and training in the use of developmentally appropriate early childhood curricula, including curricula that take into account the communication skills of children, including those whose native language is not English, and which are culturally sen-

~~sitive and avoid race-based and gender-based stereotyping;~~

~~(2) provide directly, or by grant or contract, services to enable an early childhood development program to operate during the full day, and full calendar year;~~

~~(3) health screening and diagnosis of children;~~

~~(4) provision of health, mental health, and social services to children described in section 14(b)(1);~~

~~(5) nutrition services and nutrition education;~~

~~(6) parent outreach and involvement, including family home visits;~~

~~(7) family support and parenting education;~~

~~(8) referral and assistance in procuring education, nutrition, health, mental health, and other social services for families of children receiving early childhood development services;~~

~~(9) prenatal health and education services for parents of children receiving early childhood development services;~~

~~(10) distribution of information about available services, establishing connections to resource and referral agencies, and locality outreach;~~

~~(11) staff and personnel training in early childhood development including training conducted in conjunction with other service providers with particular atten-~~

tion to avoidance of race-based and gender-based stereotyping;

(12) upgrading the salaries of early childhood development professional staff, and the development of salary schedules for staff with varying levels of experience, expertise, and training;

(13) activities designed to ensure that groups of children participating in early childhood development programs are mixed according to gender, race, ethnicity, handicapping condition, and socioeconomic status;

(14) acquisition or development of materials and equipment;

(15) rental of space for provision of services, and minor building renovation or remodeling of schools, community-based agencies or business facilities to accommodate programs for young children;

(16) transportation of children;

(17) recruiting or subsidizing senior citizens to work with children; and

(18) evaluation of services.

(c) PRIORITY.—Where early childhood development programs serving eligible children exist within localities receiving funds under this Act, priority for the use of such funds shall be given to expanding such programs to serve more children and upgrading such programs to meet mini-

mum standards required in section 16 of this Act. Funds may be used to establish new programs only if the needs of the locality may not be met by expanding or upgrading existing programs.

(d) LIMITATION.—(1) At least 50 percent of spaces created by funds available under this Act shall be filled by children whose families earn annually less than 115 percent of the poverty level.

(2) At least 67 percent of the funds made available under this Act shall be used by service providers to serve children from families who earn annually less than 115 percent of the poverty level, or shall be allocated to programs which serve primarily children from families who earn annually less than 115 percent of the poverty level.

MINIMUM STANDARDS

SEC. 16. (a) SERVICE PROVIDERS.—A service provider serving children with funds under this Act shall meet the following minimum standards or use funds to bring programs in compliance with the following minimum standards:

(1) The child to adult ratio shall not exceed 10 to 1 at any time. For the purpose of calculating child to adult ratio, the term "adult" includes only individuals in direct contact with, and with primary responsibility for, supervising children.

(2) The maximum group size shall be 20 children.

(3) Services shall be available for the full day and full calendar year, although families shall be given the option of enrolling their children part time.

(4)(A) At least one staff member supervising each group of children shall have training and experience in early childhood education or child development. The staff member shall be certified in early childhood education or child development, if the State has a certification procedure in these areas, or, if the State does not have a certification procedure, the staff member shall have a nationally recognized child development credential or postsecondary education with significant coursework in early childhood development.

(B) Additional staff members who do not have the qualifications described in subparagraph (A) shall receive a minimum of 40 hours of preservice training.

(C) All staff members shall receive 24 hours a year of inservice training during the duration of their employment; and where practical, an on-site curriculum specialist with training and experience in early childhood development shall be responsible for training all staff to apply the curricula selected by the program.

(5) Service deliverers shall use developmentally appropriate curricula that are appropriate for the child's age and all areas of the individual child's devel-

~~opment including educational, cognitive, physical, emotional, social and communication skills of children, including skills of children whose native language is other than English. Standardized tests shall not be used to determine assignment to a group or admission to a program.~~

~~(6) Service providers shall provide adequate and nutritious meals and snacks, including breakfast at parent request.~~

~~(7) Service providers shall provide health screening and screening for handicapping conditions and shall ensure that appropriate follow-up services are provided. Service providers shall make referrals to health, mental health, and social services for which the enrolled child and her family are eligible at the Federal, State, and local levels, and shall ensure that such services are provided to families that request them.~~

~~(8) Service providers shall provide parenting education and family support services.~~

~~(9) Service providers shall coordinate with the local public school system to facilitate sharing of resources and expertise where practical, including diagnostic and remedial services and staff training, and to provide for the enrolled child's transition to elementary school. Local educational agencies shall make arrange-~~

ments for a representative of such agency to facilitate such coordination.

(10) Service providers shall coordinate early childhood development programs funded under this Act with programs serving infants and toddlers, in order to provide continuity of care.

(11) Service providers shall ensure active parental involvement, which—

(A) involves parental outreach;

(B) ensures parents unlimited access to observe the program in which their children are enrolled;

(C) involves parents in the program curricula;

(D) provides access to all evaluations of the program to parents;

(E) arranges regular opportunities for parents to meet with professional staff including individuals such as child development specialists;

(F) permits parents (other than full-time staff) the opportunity to volunteer their services within the classroom setting; and

(G) ensures parents a role in policymaking.

~~Participation by parents within the classroom shall not be considered for the purpose of satisfying any of the requirements imposed by this section regarding staff.~~

~~(12) Service providers shall ensure the physical safety of children served and comply with—~~

~~(A) any applicable State and local law or policy for licensing, health, environmental, sanitation, building, and fire safety; and~~

~~(B) Federal and State child care standards applicable to programs for children of the age group served.~~

~~(b) LOCALITIES.—A locality serving children with funds under this Act shall meet the following minimum standards or use funds to bring programs in compliance with the following minimum standards:~~

~~(1) A locality shall employ multiple service providers to ensure that one agency or organization does not become the sole provider of early childhood development services funded under this Act, unless such locality certifies to the State (or in the case of a locality applying directly to the Secretary, certifies to the Secretary), as part of the application required by section 13, that there exists only one service provider in the locality. Furthermore, localities shall give high priority~~

to the expansion and upgrading of existing programs with funds provided under this Act.

(2) A locality shall ensure that no child receiving services in programs assisted by this Act shall be denied continued services as a result of changes in family income.

(c) HEAD START AGENCY.—Each Head Start agency receiving funds under this Act shall be deemed in compliance with minimum standards set forth in paragraphs (5), (6), (7), and (11), of subsection (a) of this section, if it is in compliance with the Head Start Performance Objectives.

FEDERAL ADMINISTRATIVE PROVISIONS

SEC. 17. (a) ROLE OF SECRETARY.—Consistent with the provisions of this Act, the Secretary of Education and the Secretary of Health and Human Services shall jointly develop and issue policy regulations for carrying out the provisions of this Act. Subject to the previous sentence, the Secretary has the responsibility to carry out the provisions of this Act. The Secretary shall use the expertise of early education experts at the Department of Education, particularly regarding developmentally appropriate curriculum, and early childhood experts in the Department of Health and Human Services, particularly regarding health and social services.

(b) WITHHOLDING OF PAYMENTS.—(1) Whenever the Secretary, after reasonable notice to the Lead State Agency (or, in the case of a grant provided under section 5(b) of this

~~Act, to the locality) and an opportunity for a hearing, finds that there has been a failure to comply substantially with any assurances required to be given or conditions required to be met under this Act, the Secretary shall notify such agency (or locality) of the findings and that beginning 60 days after the date of such notification, further payments will not be made to the State (or locality) under this Act (or, in the Secretary's discretion, that the Lead State Agency shall reduce or terminate further payments under this Act to any locality or service provider) until the Secretary is satisfied that there is no longer any such failure to comply. Until the Secretary is so satisfied—~~

~~(A) payments to the State (or locality) under this Act shall be reduced or terminated, or~~

~~(B) payments by the Lead State Agency under this Act shall be limited to localities and service providers not affected by the failure.~~

~~A transcript or recording shall be made of any hearing conducted under this section and shall be available for inspection by any person.~~

~~(2) Upon submission to a State (or locality) of a notice under paragraph (1) of this subsection that the Secretary is withholding payments, the State (or locality) shall take such action as may be necessary to bring its actions into compliance with the provisions of this Act.~~

(c) JUDICIAL REVIEW.—(1) If any State (or locality) is dissatisfied with the Secretary's action under subsection (a) of this section, such State (or locality) may, within 60 days after notice of such action, file with the United States Court of Appeals for the circuit in which such State (or locality) is located a petition for review of that action. A copy of the petition shall be transmitted by the clerk of the court to the Secretary. The filing of such petition shall act to suspend any withholding of funds by the Secretary pending the judgment of the court and prior to a final action on any review of such judgment. The Secretary thereupon shall file in the court the record of the proceedings on which he or she based the action which is the subject of the appeal.

(2) A Lead State Agency (or locality) shall be presumed to have complied with this Act, but the findings of fact by the Secretary, if supported by the weight of the evidence, may overcome such presumption. The court may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his or her previous action, and shall file in the court the record of the further proceedings.

(3) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States

upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(d) CONTINUING ACTIVITIES PROTECTED.—No Head Start agency receiving funds under this Act which, prior to the date of enactment of this Act, was located in any facility owned or operated by a local educational agency shall—

(1) by reason of being selected to administer a program with funds under this Act, or

(2) by reason of the selection of the local educational agency to administer a program with funds under this Act,

be denied the continued use of such facilities in accordance with the arrangements with respect to such facilities so in effect.

EVALUATION

SEC. 18. (a) LOCAL POLICY GROUP EVALUATION.—The Local Policy Group shall arrange for the periodic on-site evaluation of the local programs by reviewers including community members and early childhood development experts who are not directly involved in the administration of the program. The results of such evaluations shall be made available to the service providers, parents of eligible children, interested members of the locality, and the State Advisory Task Force.

(b) STATE EVALUATION.—The Lead State Agency shall arrange for periodic on-site monitoring and inspection of programs assisted under this Act for compliance with the minimum standards set forth in section 16. The State Advisory Task Force shall evaluate programs assisted under this Act for success in achieving stated goals of the program and for impact on related programs. Evaluations shall be conducted by reviewers who are not directly involved in the administration of the program. The results of the evaluations shall be made available to service providers, parents of eligible children, interested members of the locality, and the Secretary.

(c) ANNUAL REPORT.—(1) The Secretary shall ensure that programs are inspected and monitored for compliance with the minimum standards set forth in section 16 of this Act.

(2) The Secretary shall prepare and submit to appropriate Committees of the Congress an annual report. The report shall include a summary of the information contained in reports submitted by States.

(d) GENERAL EVALUATIONS.—(1) The Secretary shall provide, directly or by way of grant or contract, for the continuing evaluation of programs assisted under this Act, including evaluations that measure and evaluate the impact of programs authorized by this Act, in order to determine their

effectiveness in achieving stated goals, their impact on related programs, and their structure and mechanisms for delivery of services, including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such programs. Evaluations shall be conducted by persons not directly involved in the administration of the program being evaluated.

(2) The Secretary shall publish the results of evaluative research and summaries of evaluations of programs and projected impact and effectiveness not later than 90 days after the completion thereof. The Secretary shall submit to the appropriate Committees of the Congress a copy of all such research studies and evaluation summaries.

(3) The Secretary shall take the necessary action to ensure that all studies, evaluations, proposals, and data produced or developed with assistance under this section shall become the property of the United States.

NONDISCRIMINATION

SEC. 10. The Secretary shall not award financial assistance for any program, project, or activity under this Act unless the grant or contract with respect thereto specifically provides that no person with responsibilities in the operation thereof will discriminate with respect to any such program, project, or activity because of race, religion, color, national origin, sex, political affiliation, handicap or age.

~~PAYMENTS; NON-FEDERAL SHARE; SUPPLEMENTATION OF FUNDING~~

~~SEC. 20. (a) PAYMENTS.—(1) The Secretary shall pay to each State, or locality in the case of a nonparticipating State, having an application approved under section 11, or 13, as the case may be, the Federal share of the cost of the activities described in the application.~~

~~(2) The Federal share—~~

~~(A) for the first year in which the State receives funds under this Act shall be 70 percent;~~

~~(B) for the second such year shall be 60 percent; and~~

~~(C) for the third such year and each year thereafter shall be 50 percent.~~

~~(3) The Federal share—~~

~~(A) for the first year for which a locality, located in a nonparticipating State, receives assistance under this Act shall be 80 percent;~~

~~(B) for the second such year shall be 75 percent; and~~

~~(C) for the third such year and each succeeding year shall be 70 percent.~~

~~(b) NON-FEDERAL SHARE.—(1) The non-Federal share of payments under this Act may be in cash or in kind, fairly~~

evaluated, including plant, equipment, or services, subject to the limitations in subparagraph (2).

(2) A State receiving funds under this Act shall pay at least 75 percent of the non-Federal share. Such payment shall be in cash from non-Federal sources. States shall not require localities to contribute more than 25 percent of the non-Federal share or to contribute to the cash portion of the non-Federal share.

(c) SUPPLEMENTATION OF FUNDING.—(1) All Federal funds and funds paid as a part of the non-Federal share under this Act shall be used to supplement the level of State and local public funds expended for services assisted under this Act in the previous fiscal year.

(2) The supplementation requirement of this subsection shall be satisfied with respect to a particular program if the aggregate expenditure in such program for the fiscal year in which services are to be provided will not be less than the aggregate expenditure in such program in the previous year, excluding Federal and non-Federal funds provided under this Act.

(d) WAIVER.—If the Secretary determines that a State, or in a nonparticipating State, a locality, would suffer substantial hardship as a result of paying the non-Federal share of payments because of the State's or locality's economic condition or substantial prior commitment of funds for early

~~childhood development programs, the Secretary may waive such non-Federal share in part or in whole for such period of time as the Secretary deems necessary.~~

~~RECORDS AND AUDITS~~

~~SEC. 21. (a) RECORDS.—Each recipient of financial assistance under this Act shall keep records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of such financial assistance, the total cost of the program supplied by other sources, and such other records as will facilitate an effective audit.~~

~~(b) AUDITS.—The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients that are pertinent to the financial assistance received under this Act.~~

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. (a) SHORT TITLE.—This Act may be cited as the "Smart Start: The Community Collaborative for Early Childhood Development Act of 1989".

(b) TABLE OF CONTENTS.—

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STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) FINDINGS.—Congress finds that—

(1) high quality early childhood development programs can increase the literacy rate, the graduation rate, the employment rate, and the rate of enrollment in higher education for those children who receive such programs;

(2) high quality early childhood development programs can also decrease the incidence of cognitive, learning, and emotional handicaps, teenage pregnancy, welfare dependency, and incidence of arrest and juvenile delinquency for those children who receive such programs;

(3) high quality early childhood development programs are cost effective, saving taxpayers $6 for every $1 invested;

(4) despite these well-documented, long-term advantages, only one-third of the children who live in

poverty are enrolled in early childhood development programs;

(5) the less income and education parents have, the less likely their children are to be enrolled in early childhood development programs;

(6) many working families cannot afford high quality early childhood development programs for their children;

(7) half of all preschool children have two parents in the workforce or live in single parent families, and the number is growing;

(8) because of the growing number of such children, there is a great need for affordable high quality full day, full calendar year early childhood development programs;

(9) existing programs of early childhood development that run only half-day or only during the school-day and school-year should be extended to meet the full child care needs of parents;

(10) existing children's programs that do not meet the educational, physical, emotional, social, cognitive and communication developmental needs that high quality programs provide should be upgraded to provide these services to preschool children;

(11) the low salaries paid to professional staff in early childhood development programs, the lack of a professional career progression for such staff, and the lack of child development specialists makes it difficult to maintain high quality in programs for young children;

(12) many States and localities have established early childhood development programs to help meet the needs of young children and their families, particularly low-income families; and

(13) there remains a great need for high quality full day, full calendar year programs, which could be met both by expanding and upgrading existing early childhood programs and by creating new childhood development programs.

(b) PURPOSE.—It is therefore the purpose of this Act—

(1) to make widely available to prekindergarten children, especially to low-income children, a high-quality, child-centered, developmentally appropriate early childhood development program;

(2) to make widely available to parents who wish such services a full day, full calendar year program in which they can enroll their prekindergarten children;

(3) to make efficient use of Federal, State, and local resources for early childhood development by pro-

moting collaboration and coordination at the Federal, State, and local levels;

(4) to assist State and local governments in providing comprehensive developmentally appropriate early childhood programs as well as health, nutrition, mental health, and other social services to all prekindergarten students, including students whose native language is other than English, and especially to needy prekindergarten students in poor urban and rural areas;

(5) to assist State and local governments in expanding, improving, or establishing early childhood development programs using existing facilities that meet State and local safety code requirements;

(6) to assist State and local governments in making available family support and parenting education to parents of children in early childhood development programs who request such services;

(7) to provide incentives for community collaboration, including public-private partnerships, in the delivery of comprehensive early childhood services through schools, Head Start agencies, and other community-based organizations;

(8) to provide resources to ensure a smooth transition for students from prekindergarten into the elemen-

tary school grades when they reach the appropriate age; and

(9) to assist State and local governments in—

(A) providing training for teachers and staff of early childhood development programs, and

(B) promoting the use of salary scales that take into account training and experience.

DEFINITIONS

SEC. 3. As used in this Act—

(1) The term "early childhood development program" means a program that is appropriate for the child's age and all areas of the individual child's development, including educational, physical, emotional, social, cognitive, and communication.

(2) The term "full calendar year" means all days of operation of businesses in the locality, excluding—

(A) legal public holidays, as defined in section 6103 of title 5, United States Code; and

(B) a single period of 14 consecutive days during the summer.

(3) The term "full day" means the hours of operation of businesses in the locality.

(4) The term "handicapped child" means a mentally retarded, hard of hearing, deaf, speech or language impaired, visually handicapped, seriously emotionally disturbed, orthopedically impaired, or other

health impaired child or a child with specific learning disabilities who by reason thereof requires special education and related services.

(5) The term "locality" means a city, county, township, or the appropriate agency of any other general purpose unit of local government, or an Indian reservation. For purposes of this Act, a consortium of more than one locality acting together may be considered a locality.

(6) The term "poverty line" has the same meaning given that term in section 673(2) of the Community Services Block Grant Act.

(7) The term "prekindergarten" means 2 years before a child is eligible under State law to enter first grade.

(8) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, and Palau.

(9) The term "parent" includes a legal guardian or other person standing in loco parentis.

(10) The term "service provider" means any public or nonsectarian nonprofit deliverer of early

childhood development services, including a local educational agency, Head Start center, and community-based organization receiving funds under this Act.

(11) The term "Secretary" unless otherwise specified, means the Secretaries of Education and Health and Human Services, acting jointly, except that "Secretary" means the Secretary of Education for purposes of sections 4, 6, 7, 8, 17, 20, and 21 of this Act.

(12) The term "training" means that instruction in early childhood development that is required for certification by existing State and local laws, regulations, and policies, or, in a State with no certification procedures, a nationally recognized credential such as the Child Development Associate credential, or postsecondary education with significant coursework in early childhood education or early childhood development.

(13) The term "child development specialists" shall include but not be limited to school counselors, school social workers, school psychologists, speech-language pathologists, and other qualified professional personnel involved in providing developmental assessment, counseling, therapeutic, and other necessary services as part of a comprehensive child development services program.

(14) The term "mental health professional" means a licensed psychiatrist, psychologist, school psychologist, social worker, psychiatric nurse, or mental health counselor.

(15) The term "social services professional" means an individual who has a masters degree in social work from a Council on Social Work Education accredited program, or an individual who has received a bachelors degree in social work from a Council on Social Work Education accredited program and has 2 years experience in direct services to individuals.

PROGRAM AUTHORIZED

SEC. 4. (a) GENERAL AUTHORITY.—The Secretary shall, in accordance with this Act, make an allotment to States and localities having applications submitted under sections 11 and 13 of this Act to assist States and localities to expand or establish full day, full calendar year early childhood development services for prekindergarten children. Such allotments may be for up to 3 years, subject to annual review, and are renewable.

(b) AUTHORIZATION OF APPROPRIATIONS.—(1) The amount authorized to be appropriated for the purposes of carrying out the provisions of this Act for each of the fiscal years 1990, 1991, 1992, and 1993 is an amount equal to the lesser of—

(A) the excess, if any, of—

(I) the amount appropriated to carry out chapter 1, of title I, of the Elementary and Secondary Education Act of 1965 for such fiscal year, over

(II) $5,092,000,000, or

(B) the excess, if any, of—

(I) the amount appropriated to carry out the Head Start Act for such fiscal year, over

(II) $1,536,000,000.

(2) No amount may be appropriated pursuant to paragraph (1) until the amount appropriated in any one of the fiscal years set forth in paragraph (1) to carry out section 619 of the Education of the Handicapped Act exceeds $306,000,000.

(3) The amount authorized to be appropriated under paragraph (1) shall not exceed $500,000,000 for fiscal year 1990; $750,000,000 for fiscal year 1991; $1,000,000,000 for fiscal year 1992; and $1,000,000,000 for fiscal year 1993.

ELIGIBILITY FOR FEDERAL ASSISTANCE

SEC. 5. (a) STATE ELIGIBILITY.—A State shall be eligible to receive its allotment under section 6 of this Act if the State—

(1) provides assurances to the Secretary that the State has established or designated a State Advisory

Task Force in accordance with section 9 of this Act; and

(2) submits an application and a State plan to the Secretary as described under section 11 of this Act.

(b) LOCALITY ELIGIBILITY.—If a State does not participate in the program under this Act, a locality in that State is eligible for a grant as provided in section 7 of this Act, if the locality—

(1) provides assurances to the Secretary that the locality has established or designated a Local Policy Group, as provided in section 12 of this Act; and

(2) makes an application as provided in section 13 of this Act.

ALLOTMENTS TO STATES

SEC. 6. (a) RESERVATIONS.—The Secretary shall reserve 1 per centum of the amount appropriated under section 4(b) in each fiscal year for payments to Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, and Palau, to be allotted in accordance with their respective needs.

(b) STATE ALLOTMENT. —(1) From the remainder of the sums appropriated under section 4(b) for each fiscal year, the Secretary shall allot to each State an amount determined in accordance with this subsection.

(2) The Secretary shall allot an amount which bears the same ratio to 25 percent of such remainder as the product of—

(A) the number of children in the State under age 5 in families with income below the poverty line; and

(B) the tax capacity index of the State

bears to the sum of the corresponding products for all States.

(3) The Secretary shall allot an amount which bears the same ratio to 25 percent of such remainder as the product of—

(A) the number of children in the State under age 5 in families with income below the poverty line; and

(B) the tax effort index of the State

bears to the sum of the corresponding products for all States.

(4) The Secretary shall allot an amount which bears the same ratio to 25 percent of such remainder as the product of—

(A) the number of children in the State under age 5; and

(B) the tax capacity index of the State

bears to the sum of the corresponding products for all States.

(5) The Secretary shall allot an amount which bears the same ratio to 25 percent of such remainder as the product of—

(A) the number of children in the State under age 5; and

(B) the tax effort index of the State

bears to the sum of the corresponding products for all States.

(6) For purposes of this subsection, the number of children shall be determined by the Bureau of the Census in compiling the most recent decennial census.

(7) For the purpose of this subsection, the term "State" does not include Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, and Palau.

(c) HOLD HARMLESS.—No State shall receive an allotment under this section for any fiscal year which is less than 80 percent of the allotment such State received in the first fiscal year preceding such fiscal year as a result of changes in the tax capacity index or the tax effort index for such State.

(d) STATE MINIMUM.—No State shall receive an allotment under this section for any fiscal year which is less than one quarter of 1 percent of the amount appropriated under section 4(b) to carry out the provisions of this Act.

(e) TAX CAPACITY INDEX.—The tax capacity index is equal to 100 divided by the most recent standard tax capacity figure for the State, based on the Representative Tax

System, developed annually by the Advisory Commission on Intergovernmental Relations.

(f) TAX EFFORT INDEX.—The tax effort index is equal to the most recent measure of tax effort for the State that is based on the standard tax effort measures, as developed annually by the Advisory Commission on Intergovernmental Relations, divided by 100.

(g) REALLOTMENT.—(1) After satisfying the needs of localities under section 7(a), the amount of any State's allotment under this section for any fiscal year to carry out this Act which the Secretary determines will not be required for such fiscal year to carry out this Act shall be available for reallotment from time to time, on such dates during such fiscal year as the Secretary may fix, to other States in proportion to the original allotments to those States under this section for such fiscal year but with such proportionate amount for any of those other States being reduced to the extent it exceeds the sum the Secretary estimates that State needs and will be able to use for such fiscal year; and the total of those reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amounts reallotted to a State under this subsection during a year shall be deemed a part of its allotment under this section for that year.

(2) For the purpose of paragraph (1) the original allotment under this section for a State to which subsection (d) applies shall be equal to the excess, if any, of the amount determined under subsection (d) minus the amount determined under subsection (b) with respect to such State.

(h) SPECIAL RULE.—(1) In any fiscal year in which the amount appropriated is less than $50,000,000, the provisions of subsections (a), (b), (c), and (d) shall not apply and the Secretary shall make discretionary grants to States and localities on the basis of—

(A) the quality of the State or local plan required by sections 11 and 13, including the quality of coordination;

(B) the needs of States and localities;

(C) the geographic distribution of grants awarded under this subsection;

(D) the diversity of grants to rural and urban localities; and

(E) the quality of the proposed program to become a model of excellence for replication.

(2) The Secretary shall make grants of sufficient size so that the programs established with such grants may serve as model programs.

(3) For the purposes of this Act other than the purposes of this subsection, grants made to States and localities under

this subsection shall be treated as allotments made under subsection (b) in applying the provisions of this Act.

(4) The Secretary shall make no more than—

(A) 2 grants to a State, and

(B) 8 grants to localities,

pursuant to the provisions of this subsection for each $10,000,000 appropriated.

LOCALITY AND WITHIN STATE ALLOCATION

SEC. 7. (a) FEDERAL ALLOCATION TO LOCALITIES.—From amounts that would be allotted to a State under section 6 but will not be so allotted because the State elects not to participate in programs assisted under this Act, the Secretary shall allocate amounts to localities in accordance with this section. The grant which a locality is eligible to receive under section 5(b) is equal to the amount to which the locality is entitled under subsection (c) of this section.

(b) WITHIN STATE RESERVATION AND ALLOCATION.—(1) The Governor shall, from the allotment of the State under section 6, reserve 25 percent in each fiscal year for the activities described in paragraph (2).

(2) From the amount reserved in each fiscal year pursuant to paragraph (1)—

(A) not to exceed 5 percent may be used for administrative costs, of which at least 20 percent shall be allotted to the State Advisory Task Force;

(B) at least 5 percent shall be used for grants to localities in nonmetropolitan areas, and to localities for the purpose of serving migrant and Native American children or if no such localities apply for funds, funds under this subparagraph may be used for purposes stated in subparagraph (C) of this paragraph;

(C) at least 10 percent shall be used for discretionary grants to localities for purposes set forth in this Act; and

(D) at least 5 percent shall be used to develop and implement statewide training programs, and to provide technical assistance to localities for training.

(3) The Governor shall, from the allotment of the State in each fiscal year, allocate the remaining 75 percent to localities that have applications approved under section 9 of this Act, on the basis of the criteria listed in subsection (c) of this section.

(c) ALLOCATION RULES.—(1) From amounts available under section 7(b)(3), the Governor shall allocate—

(A) Sixty-seven percent of funds to localities on the basis of the number of children in the locality under age 5 in families below the poverty line, divided by the number of all children under age 5 in families below the poverty line, in the State.

(B) Sixteen and one-half percent of funds to localities on the basis of the number of children under age 5 in the locality, divided by the number of all children under age 5 in the State.

(C) Sixteen and one-half percent of funds to localities on the basis of the quality of the locality's application and plan, as judged by the State Advisory Task Force, in the areas of—

(i) the success of collaboration and coordination among local policy group members and service providers;

(ii) the quality of the needs and resources assessment required in section 12(c)(2) of this Act; and

(iii) the plan of the locality for ongoing coordination of services over and above those services necessary to meet minimum standards required for submission of an application pursuant to this Act.

The amount of a locality's allocation under this subparagraph shall vary with the degree of success on the various criteria described, except that, no locality shall receive more under this subparagraph than 150 percent of what it would receive if these funds were distributed

on the basis of subparagraphs (A) and (B) of this paragraph.

(2) For purposes of this subsection, the number of children shall be determined by the Bureau of the Census in compiling the most recent decennial census.

(3)(A) Funds which remain available after allocation to localities under paragraph (1)(C) shall be reallocated to localities which receive funds under such subparagraph, subject to the maximum therein.

(B) Funds which remain after reallocation under subparagraph (A) of this paragraph shall be reallocated to localities under subparagraphs (A) and (B) of paragraph (1) of this subsection.

(5) Where localities submitting applications claim overlapping boundaries, the State, or in the case of localities in nonparticipating States, the Secretary, shall determine which locality will have jurisdiction over the overlapping area.

(6) Each locality receiving funds under this subsection may allocate up to 5 percent of such funds for administrative costs, provided that the local policy group receives at least 60 percent of such allocation.

(7) A locality shall be ineligible to receive an allocation under paragraph (1) and (3) in a fiscal year if the aggregate

amount of Federal and State funds that would be received by such locality under this Act is less than $25,000.

(d) SPECIAL RULE.—(1) In each State receiving an allotment pursuant to the provisions of section 6(d), the Governor shall reserve 10 percent of such allotment in each fiscal year for the activities described in paragraph (2).

(2) From the amount reserved pursuant to paragraph (1) in each fiscal year—

(A) not more than 5 percent may be used for administrative costs, of which at least 20 percent shall be allotted to the State Advisory Task Force;

(B) at least 5 percent shall be used to develop and implement statewide training programs, and to provide technical assistance to localities for training.

(3) The Governor shall, from the allotment of the State pursuant to section 6(d) in each fiscal year, allocate the remaining 90 percent to localities that have applications approved under section 9 of this Act, on the basis of—

(A) the number of children in the locality under age 5 in families below the poverty line, including those who are from migrant and Native American families;

(B) the number of children in the locality under age 5 in families below the poverty line, divided by the number of all children under age 5 in the locality; and

(C) the quality of the proposed program.

(4) In carrying out the provisions of paragraph (3), the Governor of each State receiving an allotment pursuant to the provisions of section 6(d) shall consider—

(A) the success of collaboration and coordination among local policy group members and service providers;

(B) the quality of the needs and resources assessment required in section 12(c)(2); and

(C) the plan of the locality for ongoing coordination of services over and above services necessary to meet minimum standards required for submission of an application under this Act.

PLANNING GRANTS

SEC. 8. (a) IN GENERAL.—Any locality may apply for a 6-month planning grant to the State or, if the State does not participate in the program authorized by this Act, to the Secretary. Funds received by localities for planning grants shall be deducted from the funds the locality would otherwise be eligible for in the first year of the program.

(b) APPLICATION REQUIRED.—Each application for a planning grant shall—

(1) identify the members of the local policy group established under section 12;

(2) describe the needs and resources assessment to be conducted, as provided in section 12(c) of this Act; and

(3) describe the proposed planning activities of the local policy group.

STATE ADVISORY TASK FORCE

SEC. 9. (a) ESTABLISHMENT.—Any State which desires to receive financial assistance under this Act shall establish a State Advisory Task Force.

(b) COMPOSITION.—(1) The Task Force shall be composed of a group of representatives of agencies, institutions, and other entities interested in or currently participating in the provision of early childhood development programs and child care in the State.

(2) The Governor shall select representatives from among—

(A) the office of the Governor;

(B) the State education agency;

(C) the State social services agency (or State child development or child advocacy agency);

(D) the State Head Start association; and

(E) organizations representing parents within the State.

The State Advisory Task Force shall include at least one representative from each category of agencies or other entities

listed in subparagraphs (A) through (E) of the preceding sentence, except in the case of a category in which no agency or entity elects to participate, or in which no such agency or entity exists within the State.

(3) In addition to those agencies and entities listed in paragraph (2), the Governor may select additional representatives of the Task Force from among—

(A) resource and referral agencies within the State; and

(B) the State Board of Education;

(C) the State health agency;

(D) the State labor or employment agency;

(E) the State housing agency;

(F) organizations representing local governments;

(G) organizations representing service providers;

(H) local educational agencies and school boards;

(I) each house of the State legislature;

(J) organizations representing teachers;

(K) organizations representing business; and

(L) organizations representing labor.

(4) To the extent practicable, the Task Force shall be balanced according to the race, ethnicity, and gender of its members.

(c) FUNCTIONS OF THE TASK FORCE.—The State Advisory Task Force shall—

(1) recommend to the Governor a Lead State Agency to administer programs to be assisted under this Act in the State based on that agency's experience in the administration of early childhood development programs, and recommend the assignment of financial responsibility to the appropriate State agencies;

(2) advise and assist the Lead State Agency designated by the Governor in the performance of its responsibilities set out in section 10 of this Act by conducting a needs and resources assessment—

(A) to determine where early childhood development programs are lacking or are inadequate within the State, with particular attention to poor urban and rural areas, and what special services are needed within the State, such as services for children whose native language is other than English;

(B) to identify all existing State-funded, and, to the extent practical, other programs serving prekindergarten children (other than profit-making or sectarian) in the State, and to specify which programs might be expanded or upgraded with the use of funds provided by section 15 of this Act to meet criteria required in section 16 of this Act; and

(C) where appropriate, to identify other sources of fiscal and other support services for early childhood development programs;

(3) develop and submit the State application and the State plan required in section 11 of this Act;

(4) identify and review State policies, regulations, and laws that may restrict the use of facilities for the delivery of early childhood development services in school buildings or community agencies;

(5) evaluate and approve applications submitted by localities, as provided under sections 7 and 13 of this Act;

(6) prepare and submit an annual report to the Governor and the Secretary on the status of early childhood development programs operating within the State in accordance with subsection (d);

(7) conduct evaluations of programs as required in section 18; and

(8) arrange joint planning for provision of services under this Act with the provision of services required or authorized under other Federal laws.

(d) ANNUAL REPORT CONTENTS.—The report required by subsection (c)(6) shall include such information as the Secretary may reasonably require.

(e) CONFLICT OF INTEREST.—No member of the State Advisory Task Force shall cast a vote on any matter which would provide direct personal financial benefit to that member or otherwise give an appearance of a conflict of interest under State law.

(f) USE OF EXISTING TASK FORCES.—To the extent that a State has established a task force before the date of enactment of this Act which is comparable to the task force described in this section, the State shall be considered to be in compliance with subsections (a) and (b) of this section.

LEAD STATE AGENCY

SEC. 10. (a) DESIGNATION.—(1) The Governor shall designate a Lead State Agency to administer the early childhood development programs assisted under this Act in the State. The Lead State Agency shall be selected from—

(A) the State educational agency;

(B) the State department of social services; or

(C) the State agency for child development or child advocacy.

The criteria used to select the Lead State Agency shall include experience of the agency in carrying out early childhood development programs in the State. In order to be designated a Lead State Agency, such agency must have the authority under its charter or applicable law to receive and administer Federal funds for use in support of early childhood

development programs, and to transfer funds so received, and to act as a grantee, contractor, or sponsor of programs authorized under this Act.

(2) The Governor shall assign financial responsibility for services provided to the appropriate State agencies.

(b) FUNCTIONS.—The Lead State Agency shall, with the assistance of the State Advisory Task Force, be responsible for carrying out—

(1) the general administration, supervision, and monitoring of programs and activities receiving assistance under section 7 of this Act to ensure compliance with this Act;

(2) contracting with other State and local service providers as necessary;

(3) the resolution of intra- and interagency disputes; and

(4) the provision of, directly, or by way of grant or contract or other arrangements, technical assistance to localities in developing, conducting, and administering programs under this Act.

STATE APPLICATION AND STATE PLAN

SEC. 11. (a) STATE APPLICATION.—Any State desiring to receive a grant under this Act for any fiscal year shall submit an application, developed by the State Advisory Task Force, as required in section 9 of this Act, to the Secretary,

at such time and in such manner as the Secretary may reasonably require. Each such application shall contain—

(1) a description and list of members of the State Advisory Task Force established or designated by the Governor as required in section 9 of this Act;

(2) the designation of a Lead State Agency that will be responsible for the administration of funds provided under section 6 of this Act, as required by section 10 of this Act;

(3) a State plan as required by subsections (b) and (c) of this section; and

(4) such other information and assurances as the Secretary may reasonably require.

(b) STATE PLAN.—Any State desiring to receive a grant under this Act shall file with the Secretary a State Plan, developed by the State Advisory Task Force. The Plan shall be submitted to the Secretary at such time and in such manner as the Secretary may reasonably require.

(c) CONTENTS OF PLAN.—Such plan shall—

(1) describe the results of the needs and resources assessment, carried out by the State Advisory Task Force, as provided in section 9 of this Act;

(2) describe how the State will upgrade where necessary, expand, and coordinate with existing Head Start programs;

(3) describe how the State will employ multiple service providers;

(4) describe how the State will ensure compliance with minimum standards required in section 16;

(5) describe how the State will ensure compliance with the uses of funds set forth in section 15(c) and (d) of this Act;

(6) describe how the State will meet the requirement of the non-Federal share required in section 20 of this Act;

(7) describe the certification procedures and training required by the State;

(8) assure that funds paid to the State under this Act will be expended in accordance with this Act;

(9) provide for (A) making such reports in such form and containing such information as the Secretary may require to carry out the Secretary's functions under this Act, and (B) keeping such records and affording such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports and proper disbursement of Federal funds under this Act;

(10) provide satisfactory assurance that Federal funds made available under this Act, and the non-Federal funds which are required to be paid as part of the

non-Federal share under section 20 of this Act shall be used to supplement and increase the level of State and local funds expended for services, as provided in section 20 of this Act;

(11) provide satisfactory assurance, in accordance with section 21 of this Act, that such fiscal control and fund accounting procedures will be adopted as may be necessary to assure proper disbursement of, and accounting for, Federal funds made available under this Act and non-Federal funds which are required to be paid as part of the non-Federal share under section 20 of this Act; and

(12) such other information and assurances as the Secretary may reasonably require.

LOCAL POLICY GROUP

SEC. 12. (a) ESTABLISHMENT.—Any locality desiring to receive a grant under this Act shall form a Local Policy Group.

(b) COMPOSITION.—(1) The Local Policy Group shall be composed of a group of representatives of Government agencies, service providers, institutions, and organizations interested in or currently participating in the provision of early childhood development services in the geographic area covered by the locality. The local policy group shall contain no more than 8 members, except as provided in paragraph (2)(C) of this subsection.

(2)(A) The chief elected official of the locality shall select the membership of the Local Policy Group. The Local Policy Group shall be selected from among—

(i) the local Head Start agency;

(ii) the local board of education;

(iii) the local superintendent of schools;

(iv) the local social services agency (or, if applicable, local child development or child advocacy agency); and

(v) early childhood teachers.

The Local Policy Group shall include one representative from each agency or entity listed in clauses (i) through (v) of the preceding sentence, except where the agency or entity elects not to participate, or does not exist within the locality.

(B) In addition to the entities listed in subparagraph (A) of this paragraph, three parents of prekindergarten or elementary school-aged children shall be included in the membership of the local policy group. Two of such parents shall be parents whose child is receiving or has received Head Start services.

(C) Where a locality includes a consortium of more than one locality, as provided in section 3(4), the chief elected officials may select two representatives from each agency or entity listed in clauses (i) through (v) of subparagraph (A),

and six parents as described in subparagraph (B) of this section.

(3) To the extent practicable, the Local Policy Group shall be balanced according to the race, ethnicity, and gender of its members.

(4) The Local Policy Group may consult with members of the community with expertise or an interest in child development programs, including—

(A) local resource and referral agencies,

(B) organizations representing labor,

(C) employers,

(D) local public health and nutrition agencies,

(E) child development experts, and

(F) organizations representing child care providers

to assist in the development and implementation of early childhood development programs.

(c) FUNCTIONS.—The Local Policy Group shall—

(1) develop a collaborative voluntary application to the State from the participating agencies;

(2) develop a needs and resources assessment, every 3 years, for the geographic area included within the locality, stating—

(A) where services are most needed based on numbers of prekindergarten children with particu-

lar attention to such children from families who have low income;

(B) the existence of early childhood development programs and the degree to which they meet the demand for such services in the locality;

(C) the existence of programs serving prekindergarten children which can be expanded or upgraded to meet the requirements of this Act;

(D) the need for bilingual programs and services for children whose native language is not English, and programs and services for handicapped, migrant, Indian, and homeless children; and

(E) a description of early childhood development training programs in the locality funded by this Act, and the need for additional training programs in the locality;

(3) demonstrate how the locality will work to employ multiple service providers;

(4) identify and review local laws, regulations, or policies that may restrict the use of facilities for the delivery of early childhood development programs in school buildings or community agencies;

(5) identify salary scales for staff of existing providers of early childhood development services and child care services;

(6) identify job training, literacy, and adult education programs that can be coordinated with family support services offered by child development programs; and

(7) prepare and submit an annual report as required in subsection (e) of this section to the State Advisory Task Force on the status of early childhood development programs within the locality; and

(8) arrange for evaluations required in section 18.

(d) LIMITATION ON FUNCTIONS OF LOCAL POLICY GROUP.—The Local Policy Group shall not supercede the internal operations or administrative practices of agencies or entities operating existing early childhood development programs, beyond evaluations required by section 18, except to institute minimum standards required by section 16 or to enforce the uses of funds set forth in sections 14 and 15.

(e) CONTENTS OF REPORT.—Each report required by subsection (c)(7) shall include—

(1) the number and socioeconomic background of children being served with funds provided under this Act, listed by age if available;

(2) the number of children whose parents have requested services but who are not being served;

(3) a description of the uses for which funds were expended in accordance with section 15 of this Act;

(4) a description of programs expanded, upgraded, or created under this Act;

(5) a description of salary scales used in programs receiving funds under this Act;

(6) a description of how programs receiving funds under this Act are coordinated with other existing programs of early childhood development for prekindergarten children in the locality; and

(7) assurances that the programs funded under this Act meet the requirements of sections 14, 15, and 16 of this Act.

(f) CONFLICT OF INTEREST.—A member of the Local Policy Group shall not cast a vote on any matter which would provide direct personal financial benefit to that member or otherwise give an appearance of a conflict of interest under State or local law.

(g) USE OF EXISTING LOCAL POLICY GROUP.—To the extent that a locality has established a broadly representative Local Policy Group before enactment of this legislation that is comparable to the Local Policy Group described in

this section, such locality shall be considered to be in compliance with subsections (a) and (b) of this section.

LOCAL PLAN AND APPLICATION

SEC. 13. (a) APPLICATION REQUIRED.—Any locality desiring to receive a grant from the State to carry out services assisted under this Act shall—

(1) form or designate a Local Policy Group, in accordance with section 12 of this Act; and

(2) submit to the State an application prepared by the Local Policy Group.

Such application may be for up to 3 years, subject to annual review, and is renewable.

(b) CONTENTS OF APPLICATION.—Each application prepared pursuant to subsection (a) shall contain—

(1) a service delivery plan from all participating service providers, that includes—

(A) a description of what geographic area is covered by such application, including a listing of any city, county, township, other general purpose unit of government, or Indian reservation located therein;

(B) the name and location of all planned sites and a description of services which will be provided at each site under such plan;

(C) a description of how the locality will employ multiple service providers, such as Head Start and Local Educational Agencies, except as provided in section 16(b)(1);

(D) a plan for ongoing coordination of early childhood development services at each site between (i) Head Start providers and local educational agencies, whether or not such providers or agencies are receiving funds under this Act, and (ii) between entities in clause (i) and any other recipients of funds under this Act;

(E) a description of how priority for the use of funds made available under this Act is being given to the expansion and upgrading of existing programs, as required by section 15(c) of this Act;

(F) the number of children receiving services free of charge, the number of children receiving services for payment of fees, the level of such fees paid at each site, and the distribution of such children among service providers;

(G) the results of the local needs and resources assessment conducted by the Local Policy Group, as provided in section 12(c)(2) of this Act, a description of what needs for services have been identified by such assessment, and a description

of how the plan for coordination of services address the indicated needs;

(H) a description of certification and other qualifications of staff, a plan for training of professional staff and employees, the turnover or mobility rate of professional staff and employees, if available, and a description of salary schedules, and how such schedules reflect level of training, expertise, and experience of employees;

(I) a description of how the locality will provide the non-Federal share required under section 20 of this Act if any portion thereof is not paid by the State;

(J) a description of how the locality will ensure compliance with the uses of funds set forth in section 15 of this Act;

(K) assurances that Federal minimum standards in section 16 of this Act will be adhered to;

(L) a plan for evaluations required in section 18; and

(M) such additional assurances or information as the Secretary may reasonably require; and

(2) evidence demonstrating effective use of existing Federal and State funds received by the locality for services for prekindergarten children.

(c) LOCAL ADMINISTERING AGENCY.—(1) In each locality the chief elected official (or officials, in the case of consortium of more than one locality) shall select a local administering agency for the locality from the local education agencies, local social services agencies, and the local child development agencies within the locality.

(2) The selection of the local administering agency shall be based on the experience of such agency in administering early childhood development programs. To be eligible to be designated a local administering agency, such agency shall have the authority under its charter or applicable law to receive, redistribute, and monitor grants to provide early childhood development services under this Act.

(3) The local administering agency of each locality shall be designated as the coordinator of all programs assisted under this Act for the locality for the purpose of administration and fiscal control.

(4) Each local administering agency shall work with existing local resource and referral agencies.

(5) Each administering agency shall follow the plan developed by the Local Policy Group for the provision of services assisted by this Act.

(d) SUBMISSION OF LOCAL APPLICATION.—(1) Any locality desiring to receive financial assistance under this Act, that is located in a State receiving funds under this Act, shall submit an application to the State Advisory Task Force for the State in which such locality is located.

(2) Any locality desiring to receive financial assistance under this Act, that is located in a State that has chosen not to receive funds under this Act, shall—

(A) submit an application to the Secretary for a grant at such time and in such manner as the Secretary may reasonably require; and

(B) comply with the requirements under section 12 and subsections (a) and (b) of section 13 of this Act.

The service delivery plan required by section 13(b) shall also include the information required under sections 11(b) and 11(c) to the extent the information required therein pertains to the area to be served by the locality.

ELIGIBLE CHILDREN AND FAMILIES

SEC. 14. (a) AGE REQUIREMENT.—Any child is eligible to participate in programs assisted under this Act in the school year 2 years prior to the school year in which the child would be eligible, under State law, to enter first grade. Any State or locality which has served all children of the eligible age group requesting services may use funds under this Act

to serve children in the school year 3 years prior to the school year in which they would be eligible, under State law, to enter first grade. A State or locality may use funds under this Act to upgrade and expand existing programs serving children aged 3 years through 5 years, provided the supplementation of funding requirements of section 20 are met.

(b) FAMILY CONTRIBUTION.—(1) Eligible children in families with annual incomes under 115 percent of the poverty line are eligible to receive services provided under this Act without charge.

(2)(A) Eligible children in families with annual incomes at or above 115 percent of the poverty line are eligible to receive services provided by this Act with payment of fees on a sliding scale up to the full cost of such service except that, pursuant to part B of the Education of the Handicapped Act, services included in a handicapped child's individualized education program shall be furnished to such child without charge. The sliding scale shall be developed by the State, or locality if the State is not participating, based on income level, family size, and relative cost of living. Such sliding scale shall ensure that families that can afford to pay the full cost of services do pay such cost. The maximum fee per child shall not exceed the cost per child of the services provided. Total fees for all eligible children in a family re-

ceiving services under this Act shall not exceed 10 percent of a family's gross income.

(B) Nothing in subparagraph (A) shall be construed to prevent any State or locality from paying part or all of the cost of fees paid by families under subparagraph (A) with non-Federal funds.

USE OF FUNDS

SEC. 15. (a) IN GENERAL.—Localities may use funds furnished under this Act—

(1) to expand or upgrade, through grant or contract, existing public or nonsectarian nonprofit programs for prekindergarten children to operate them during the full day and full calendar year and in compliance with the requirements of section 16 of this Act, or

(2) to create, through grant or contract to public or nonsectarian nonprofit entities, full day, full calendar year early childhood development programs that comply with the provisions of this Act.

(b) AUTHORIZED ACTIVITIES.—Grants under this Act may be used for—

(1) development of and training in the use of developmentally appropriate early childhood curricula, including curricula that take into account the communication skills of children, including those whose native language is not English, and which are culturally sen-

sitive and avoid race-based and gender-based stereotyping;

(2) provide directly, or by grant or contract, services to enable an early childhood development program to operate during the full day, and full calendar year;

(3) health screening and diagnosis of children;

(4) provision of health, mental health, and social services to children described in section 14(b)(1);

(5) nutrition services and nutrition education;

(6) parent outreach and involvement, including family home visits;

(7) family support and parenting education;

(8) referral and assistance in procuring education, nutrition, health, mental health, and other social services for families of children receiving early childhood development services;

(9) prenatal health and education services for parents of children receiving early childhood development services;

(10) distribution of information about available services, establishing connections to resource and referral agencies, and locality outreach;

(11) staff and personnel training in early childhood development including training conducted in conjunction with other service providers with particular at-

tention to avoidance of race-based and gender-based stereotyping;

(12) upgrading the salaries of early childhood development professional staff, and the development of salary schedules for staff with varying levels of experience, expertise, and training;

(13) activities designed to ensure that groups of children participating in early childhood development programs are mixed according to gender, race, ethnicity, handicapping condition, and socioeconomic status;

(14) acquisition or development of materials and equipment;

(15) rental of space for provision of services, and minor building renovation or remodeling of schools, community-based agencies or business facilities to accommodate programs for young children;

(16) transportation of children;

(17) recruiting or subsidizing senior citizens to work with children; and

(18) evaluation of services.

(c) PRIORITY.—Where early childhood development programs serving eligible children exist within localities receiving funds under this Act, priority for the use of such funds shall be given to expanding such programs to serve more children and upgrading such programs to meet mini-

mum standards required in section 16 of this Act. Funds may be used to establish new programs only if the needs of the locality may not be met by expanding or upgrading existing programs.

(d) LIMITATION.—(1) At least 50 percent of spaces created by funds available under this Act shall be filled by children whose families earn annually less than 115 percent of the poverty level.

(2) At least 67 percent of the funds made available under this Act shall be used by service providers to serve children from families who earn annually less than 115 percent of the poverty level, or shall be allocated to programs which serve primarily children from families who earn annually less than 115 percent of the poverty level.

MINIMUM STANDARDS

SEC. 16. (a) SERVICE PROVIDERS.—A service provider serving children with funds under this Act shall meet the following minimum standards or use funds to bring programs in compliance with the following minimum standards:

(1) The child to adult ratio shall not exceed 10 to 1 at any time. For the purpose of calculating child to adult ratio, the term "adult" includes only individuals in direct contact with, and with primary responsibility for, supervising children.

(2) The maximum group size shall be 20 children.

(3) Services shall be available for the full day and full calendar year, although families shall be given the option of enrolling their children part time.

(4)(A) At least one staff member supervising each group of children shall have training and experience in early childhood education or child development. The staff member shall be certified in early childhood education or child development, if the State has a certification procedure in these areas, or, if the State does not have a certification procedure, the staff member shall have a nationally recognized child development credential or postsecondary education with significant coursework in early childhood development.

(B) Additional staff members who do not have the qualifications described in subparagraph (A) shall receive a minimum of 40 hours of preservice training.

(C) All staff members shall receive 24 hours a year of inservice training during the duration of their employment; and where practical, an on-site curriculum specialist with training and experience in early childhood development shall be responsible for training all staff to apply the curricula selected by the program.

(5) Service deliverers shall use developmentally appropriate curricula that are appropriate for the child's age and all areas of the individual child's devel-

opment including educational, cognitive, physical, emotional, social and communication skills of children, including skills of children whose native language is other than English. Standardized tests shall not be used to determine assignment to a group or admission to a program.

(6) Service providers shall provide adequate and nutritious meals and snacks, including breakfast at parent request.

(7) Service providers shall provide health screening, mental health screening, and screening for handicapping conditions and shall ensure that appropriate follow-up services are provided. Service providers shall make referral to health services, mental health services, and social services for which the enrolled child and such child's family are eligible at the Federal, State, and local levels, and shall ensure that such services are provided to families that request such services. Service providers shall, as necessary, arrange for the provision of services of mental health professionals, health professionals, and social services professionals to coordinate health services, mental health services, and social services.

(8) Service providers shall provide parenting education and family support services.

(9) Service providers shall coordinate with the local public school system to facilitate sharing of resources and expertise where practical, including diagnostic and remedial services and staff training, and to provide for the enrolled child's transition to elementary school. Local educational agencies shall make arrangements for a representative of such agency to facilitate such coordination.

(10) Service providers shall coordinate early childhood development programs funded under this Act with programs serving infants and toddlers, in order to provide continuity of care.

(11) Service providers shall ensure active parental involvement, which—

(A) involves parental outreach;

(B) ensures parents unlimited access to observe the program in which their children are enrolled;

(C) involves parents in the program curricula;

(D) provides access to all evaluations of the program to parents;

(E) arranges regular opportunities for parents to meet with professional staff including individuals such as child development specialists;

(F) permits parents (other than full-time staff) the opportunity to volunteer their services within the classroom setting; and

(G) ensures parents a role in policymaking. Participation by parents within the classroom shall not be considered for the purpose of satisfying any of the requirements imposed by this section regarding staff.

(12) Service providers shall ensure the physical safety of children served and comply with—

(A) any applicable State and local law or policy for licensing, health, environmental, sanitation, building, and fire safety; and

(B) Federal and State child care standards applicable to programs for children of the age group served.

(b) LOCALITIES.—A locality serving children with funds under this Act shall meet the following minimum standards or use funds to bring programs in compliance with the following minimum standards:

(1) A locality shall employ multiple service providers to ensure that one agency or organization does not become the sole provider of early childhood development services funded under this Act, unless such locality certifies to the State (or in the case of a locality applying directly to the Secretary, certifies to the Sec-

retary), as part of the application required by section 13, that there exists only one service provider in the locality. Furthermore, localities shall give high priority to the expansion and upgrading of existing programs with funds provided under this Act.

(2) A locality shall ensure that no child receiving services in programs assisted by this Act shall be denied continued services as a result of changes in family income.

(c) HEAD START AGENCY.—Each Head Start agency receiving funds under this Act shall be deemed in compliance with minimum standards set forth in paragraphs (5), (6), (7), and (11), of subsection (a) of this section, if it is in compliance with the Head Start Performance Objectives.

FEDERAL ADMINISTRATIVE PROVISIONS

SEC. 17. (a) ROLE OF SECRETARY.—Consistent with the provisions of this Act, the Secretary of Education and the Secretary of Health and Human Services shall jointly develop and issue policy regulations for carrying out the provisions of this Act. Subject to the previous sentence, the Secretary has the responsibility to carry out the provisions of this Act. The Secretary shall use the expertise of early education experts at the Department of Education, particularly regarding developmentally appropriate curriculum, and early childhood experts in the Department of Health and Human Services, particularly regarding health and social services.

(b) WITHHOLDING OF PAYMENTS.—(1) Whenever the Secretary, after reasonable notice to the Lead State Agency (or, in the case of a grant provided under section 5(b) of this Act, to the locality) and an opportunity for a hearing, finds that there has been a failure to comply substantially with any assurances required to be given or conditions required to be met under this Act, the Secretary shall notify such agency (or locality) of the findings and that beginning 60 days after the date of such notification, further payments will not be made to the State (or locality) under this Act (or, in the Secretary's discretion, that the Lead State Agency shall reduce or terminate further payments under this Act to any locality or service provider) until the Secretary is satisfied that there is no longer any such failure to comply. Until the Secretary is so satisfied—

(A) payments to the State (or locality) under this Act shall be reduced or terminated, or

(B) payments by the Lead State Agency under this Act shall be limited to localities and service providers not affected by the failure.

A transcript or recording shall be made of any hearing conducted under this section and shall be available for inspection by any person.

(2) Upon submission to a State (or locality) of a notice under paragraph (1) of this subsection that the Secretary is

withholding payments, the State (or locality) shall take such action as may be necessary to bring its actions into compliance with the provisions of this Act.

(c) JUDICIAL REVIEW.—(1) If any State (or locality) is dissatisfied with the Secretary's action under subsection (a) of this section, such State (or locality) may, within 60 days after notice of such action, file with the United States Court of Appeals for the circuit in which such State (or locality) is located a petition for review of that action. A copy of the petition shall be transmitted by the clerk of the court to the Secretary. The filing of such petition shall act to suspend any withholding of funds by the Secretary pending the judgment of the court and prior to a final action on any review of such judgment. The Secretary thereupon shall file in the court the record of the proceedings on which he or she based the action which is the subject of the appeal.

(2) A Lead State Agency (or locality) shall be presumed to have complied with this Act, but the findings of fact by the Secretary, if supported by the weight of the evidence, may overcome such presumption. The court may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his or her previous action, and shall file in the court the record of the further proceedings.

(3) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(d) CONTINUING ACTIVITIES PROTECTED.—No Head Start agency receiving funds under this Act which, prior to the date of enactment of this Act, was located in any facility owned or operated by a local educational agency shall—

(1) by reason of being selected to administer a program with funds under this Act, or

(2) by reason of the selection of the local educational agency to administer a program with funds under this Act,

be denied the continued use of such facilities in accordance with the arrangements with respect to such facilities so in effect.

(e) GENERAL EDUCATION PROVISIONS.—Sections 411 through 419 of the General Education Provisions Act shall apply to the provisions of this Act.

EVALUATION

SEC. 18. (a) LOCAL POLICY GROUP EVALUATION.—The Local Policy Group shall arrange for the periodic on-site evaluation of the local programs by reviewers including community members and early childhood development experts

who are not directly involved in the administration of the program. The results of such evaluations shall be made available to the service providers, parents of eligible children, interested members of the locality, and the State Advisory Task Force.

(b) STATE EVALUATION.—The Lead State Agency shall arrange for periodic on-site monitoring and inspection of programs assisted under this Act for compliance with the minimum standards set forth in section 16. The State Advisory Task Force shall evaluate programs assisted under this Act for success in achieving stated goals of the program and for impact on related programs. Evaluations shall be conducted by reviewers who are not directly involved in the administration of the program. The results of the evaluations shall be made available to service providers, parents of eligible children, interested members of the locality, and the Secretary.

(c) ANNUAL REPORT.—(1) The Secretary shall ensure that programs are inspected and monitored for compliance with the minimum standards set forth in section 16 of this Act.

(2) The Secretary shall prepare and submit to appropriate Committees of the Congress an annual report. The report shall include a summary of the information contained in reports submitted by States.

(d) GENERAL EVALUATIONS.—(1) The Secretary shall provide, directly or by way of grant or contract, for the continuing evaluation of programs assisted under this Act, including evaluations that measure and evaluate the impact of programs authorized by this Act, in order to determine their effectiveness in achieving stated goals, their impact on related programs, and their structure and mechanisms for delivery of services, including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such programs. Evaluations shall be conducted by persons not directly involved in the administration of the program being evaluated.

(2) The Secretary shall publish the results of evaluative research and summaries of evaluations of programs and projected impact and effectiveness not later than 90 days after the completion thereof. The Secretary shall submit to the appropriate Committees of the Congress a copy of all such research studies and evaluation summaries.

(3) The Secretary shall take the necessary action to ensure that all studies, evaluations, proposals, and data produced or developed with assistance under this section shall become the property of the United States.

NONDISCRIMINATION

SEC. 19. The Secretary shall not award financial assistance for any program, project, or activity under this Act unless the grant or contract with respect thereto specifically

provides that no person with responsibilities in the operation thereof will discriminate with respect to any such program, project, or activity because of race, religion, color, national origin, sex, political affiliation, handicap or age.

PAYMENTS; NON-FEDERAL SHARE; SUPPLEMENTATION OF FUNDING

SEC. 20. (a) PAYMENTS.—(1) The Secretary shall pay to each State, or locality in the case of a nonparticipating State, having an application approved under section 11, or 13, as the case may be, the Federal share of the cost of the activities described in the application.

(2) The Federal share—

(A) for the first year in which the State receives funds under this Act shall be 70 percent;

(B) for the second such year shall be 60 percent; and

(C) for the third such year and each year thereafter shall be 50 percent.

(3) The Federal share—

(A) for the first year for which a locality, located in a nonparticipating State, receives assistance under this Act shall be 80 percent;

(B) for the second such year shall be 75 percent; and

(C) for the third such year and each succeeding year shall be 70 percent.

(b) NON-FEDERAL SHARE.—(1) The non-Federal share of payments under this Act may be in cash or in kind, fairly evaluated, including plant, equipment, or services, subject to the limitations in subparagraph (2).

(2) A State receiving funds under this Act shall pay at least 75 percent of the non-Federal share. Such payment shall be in cash from non-Federal sources. States shall not require localities to contribute more than 25 percent of the non-Federal share or to contribute to the cash portion of the non-Federal share.

(c) SUPPLEMENTATION OF FUNDING—(1) All Federal funds and funds paid as a part of the non-Federal share under this Act shall be used to supplement the level of State and local public funds expended for services assisted under this Act in the previous fiscal year.

(2) The supplementation requirement of this subsection shall be satisfied with respect to a particular program if the aggregate expenditure in such program for the fiscal year in which services are to be provided will not be less than the aggregate expenditure in such program in the previous year, excluding Federal and non-Federal funds provided under this Act.

(d) WAIVER.—If the Secretary determines that a State, or in a nonparticipating State, a locality, would suffer substantial hardship as a result of paying the non-Federal

share of payments because of the State's or locality's economic condition or substantial prior commitment of funds for early childhood development programs, the Secretary may waive such non-Federal share in part or in whole for such period of time as the Secretary deems necessary.

RECORDS AND AUDITS

SEC. 21. (a) RECORDS.—Each recipient of financial assistance under this Act shall keep records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of such financial assistance, the total cost of the program supplied by other sources, and such other records as will facilitate an effective audit.

(b) AUDITS.—The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients that are pertinent to the financial assistance received under this Act.

Calendar No. 118

101ST CONGRESS
1ST SESSION

S. 123

A BILL

To provide financial assistance to States and localities for high quality early childhood development programs for prekindergarten children, and for other purposes.

JUNE 12 (legislative day, JANUARY 3), 1989

Reported with an amendment